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8 UNITED STATES BANKRUPTCY COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN JOSE DIVISION

11 In re

12 MI PUEBLO, LLC fka MI PUEBLO
SAN JOSE, INC.,

13 Reorganized Debtor.
14

Case No. 13-53893-ASW

Chapter 11

**DEBTOR'S REPORT REGARDING
POST-CONFIRMATION ISSUES AND
FINAL DECREE**

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17 Mi Pueblo, LLC ("Mi Pueblo"), the reorganized Debtor in the bankruptcy case of Mi
18 Pueblo San Jose, Inc., hereby submits this post-confirmation status report in response to the
19 Court's letter, dated February 3, 2015. The Court requested an update regarding the following
20 issues: (i) whether the Debtor is in default under the terms of the confirmed plan; (ii) extent of
21 plan consummation; and (iii) remaining steps necessary before application for final decree.

22 **I. Introduction**

23 Mi Pueblo's chapter 11 plan became effective on May 30, 2014. Mi Pueblo has been
24 working diligently since that time to resolve all remaining issues. All issues regarding NUCP
25 Turlock's claim, its appeal of the confirmation order and remaining disputes have been resolved.
26 Mi Pueblo has resolved all disputes regarding fees and expenses requested by professionals.
27 Mi Pueblo continues to work on resolving all asserted proofs of claims for which it is responsible
28 and numerous state court actions brought by personal injury plaintiffs.

1 Mi Pueblo has proceeded in a manner that is as efficient as possible for all parties, and has
2 tried to reach resolution without litigation where possible. In light of these efforts, Mi Pueblo is
3 hopeful that it will be able to resolve the remaining issues in the case within the next several
4 months, and intends to close this case by June 30, 2015.

5 The Creditors Representative ("CR"), the successor to the Creditors Committee, is
6 responsible for certain remaining issues in the case, including distributions to general unsecured
7 creditors, objections to certain claims, and the preference actions that it is authorized to litigate.
8 Mi Pueblo is cooperating with the CR, but it is not in control of these aspects of the case.

9 **II. No Defaults Under the Plan**

10 Mi Pueblo believes that it is in full compliance with all of its obligations under the
11 confirmed plan of reorganization ("Plan").

12 **III. Consummation of the Plan**

13 All required payments have been made. All transfers of property required under the Plan
14 have been completed.

15 Mi Pueblo understands that the CR is reviewing the general unsecured claims in the case
16 and will, as necessary, object to proofs of claims. Mi Pueblo understands that the distribution to
17 unsecured creditors will be made in the near future.

18 The appeal involving NUCP Turlock and all related issues have been resolved.

19 **IV. Remaining Tasks**

20 The most significant remaining task in the case is the prosecution of potential avoidance
21 actions by the CR. Mi Pueblo has been working with the CR to provide information regarding
22 potential defendants in such actions as well as business records relevant to potential defenses.

23 It is difficult for Mi Pueblo to predict exactly how many such actions will be filed and the
24 length of time that will be required before resolution. Mi Pueblo will cooperate with the CR and
25 work to bring these matters to conclusion as promptly as possible.

26 There are a number of pending state court actions involving pre-petition claims. Any
27 actions against Mi Pueblo are barred by the discharge injunction under the Plan. It may be
28 necessary to involve the Bankruptcy Court in obtaining the dismissal of some of these actions, but

1 Mi Pueblo anticipates that it may be possible to obtain dismissal of appropriate cases without
2 intervention of the Bankruptcy Court. Mi Pueblo is working to accomplish this as promptly as
3 possible.

4 Some of these pending actions are covered by insurance. Mi Pueblo will be filing
5 stipulations with the Bankruptcy Court clarifying that the plaintiffs are entitled to proceed against
6 the insurance companies but not otherwise entitled to pursue any claims directly against Mi
7 Pueblo or its affiliates, or seek to collect any amounts from Mi Pueblo or its affiliates.

8 Mi Pueblo is eager to obtain a final decree as soon as possible. As long as the case
9 remains open, Mi Pueblo is responsible for significant quarterly payments to the Office of the
10 United States Trustee. Mi Pueblo hopes that the case can be concluded by June 2015. Mi Pueblo
11 is also considering whether it is possible to obtain any relief from the financial burden on account
12 of the quarterly United States Trustee obligations to the extent that the case remains open for the
13 sole purpose of concluding the CR's avoidance actions.

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15 DATED: February 23, 2015

McNUTT LAW GROUP LLP

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17 By: /s/ Michael C. Abel
18 Michael C. Abel
19 Attorneys for MI PUEBLO, LLC
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